GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:2856
ANSWERED ON:15.03.2001
DUTY FREE TREATMENT OF INDIAN COTTON FABRICS
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Will the Minister of TEXTILES be pleased to state:

(a) whether the USA has lifted the suspension of duty free treatment for Indian cotton fabrics in a follow-up Memorandum of Understanding reached between the two countries in September 2000;

(b) if so, whether the lifting of this suspension has been beneficial to India;

(c) if so, the details thereof;

(d) whether agreements reached in this regard between the two countries have been implemented in full; and

(e) if so, the other steps being taken to increase export of Indian cotton fabrics to US ?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) to (d) Pursuant to the Understanding reached with US during consultations held in September 2000, India has notified the revised combined tariff bindings to WTO. On the other hand, US has lifted their reservations on the tariff binding notification and has extended GSP concession on 9 Indian handloom fabrics. The restoration of GSP benefit on these handloom fabric lines would increase the cost competitiveness of these items in US market.

(e) The Government has been taking several steps from time to time to increase textile exports including cotton fabrics exports to US market. Some of the important initiatives are as under :-

(i) The Technology Upgradation Fund Scheme (TUF) has been made operational from 1-4-1999 to facilitate the modernisation and Upgradation of this sector so that it can become more competitive in international trade.

(ii) The facility to import capital goods under Export Promotion Capital Goods (EPCG) Scheme at 5% concessional rate of duty.

(iii) Government has recently launched Technology Mission for Cotton. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernising the existing ginning and pressing factories.

(iv) Allowing foreign equity participation upto 100%, through automatic route, in the textile sector with certain exceptions.

(v) To prepare and sensitise our textile and garment industry to conform to the ecological requirements of importing countries by providing facilities by way of eco-testing laboratories.

(vi) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/ programmes to meet skilled manpower requirements of textile industry in the field of design, merchandising and marketing.

(vii) The New Exporters` Entitlement (Quota) Policies announced for the period 2000-2004 to provide stability and continuity and encourage competitiveness in textile exports.

(viii) The National Textile Policy 2000 has recently been announced to provide the policy direction for orderly and sustained development and growth of the textile industry in a harmonious way and to give a thrust to textile exports.